

**SUMMARY ACTION MINUTES**  
**ALAMEDA LOCAL AGENCY FORMATION COMMISSION**  
**REGULAR MEETING**

**Dublin San Ramon Services District Board Room, 7051 Dublin Blvd, Dublin, CA**

**November 12, 2015**

**1. Call to Order and Pledge of Allegiance**

Chair Marchand called the meeting to order at 4:32 p.m. The Pledge of Allegiance was recited.

**2. Roll Call.**

Roll was called. A quorum was present of the following commissioners:

County Members: Scott Haggerty (arrived 4:35 during item 5) and Nate Miley (arrived 4:41 during item 6)

City Members: John Marchand, Jerry Thorne and alternate David Haubert

Special District Members: Ayn Wieskamp, Ralph Johnson and alternate Georgean Vonheeder-Leopold

Public Members: Sblend Sblendorio and alternate Tom Pico

Not Present: Wilma Chan, alternate County Member

Staff present: Mona Palacios, Executive Officer; Brian Washington, Legal Counsel, Nat Taylor, Planner, and Sandy Hou, Clerk

**3. Public Comment**

Commission Chair Marchand invited members in the audience to address the Commission on any matter not listed on the agenda and within the jurisdiction of the Commission. There were no comments.

**4. Approval/Correction of Minutes – September 10, 2015**

Upon motion by Commissioner Wieskamp and second by Commissioner Johnson, the minutes of the September 10, 2015 meeting were approved.

AYES: 6 (Haggerty, Johnson, Marchand, Sblendorio, Thorne, Wieskamp)

NOES: 0

ABSENT: 1 (Miley)

ABSTAIN: 0

**5. CALAFCO Award Presentation**

Chair Marchand announced that a local wine – a 2011 McGrail Vineyards Cabernet Sauvignon Reserve – had won first place in the beer and wine competition held at the recent annual CALAFCO Conference in Sacramento September 2<sup>nd</sup>-4<sup>th</sup>. Vintner of the winning wine, Shannon McGrail, was present to receive the medal. She thanked the Commission for their support of her family's wine. A commemorative photo was taken.

Staff added that a local beer, Puddy Porter brewed by Faction Brewing in Alameda, had won 3<sup>rd</sup> place in the beer category, and reported that she had presented the 3<sup>rd</sup> place medal to brewery staff and provided them information regarding LAFCo and the competition. The brewery was very appreciative.

**6. Fee Waiver Request**

This item was a request from a property owner to waive the application fee for an anticipated Pleasanton out-of-area service agreement to extend sewer services to property located on Sycamore Road in the unincorporated Happy Valley area.

Staff provided a summary of the written report. Property owner Robin Boggs addressed the Commission regarding the reasons for her request.

Commission Discussion:

There was discussion among the Commissioners regarding the merit of the request to waive the fee. In response to a question regarding an example of a fee being detrimental to the public interest, legal counsel offered that if financial hardship from paying the fee caused the property owner not to make an improvement that would benefit the public, then perhaps a finding of detriment to the public interest could be made, but little evidence to support this conclusion had been offered in this instance.

After considerable discussion, agreement was reached that there could be a public benefit from encouraging property owners in the unincorporated Happy Valley area to connect to a municipal sewer system by waiving the LAFCo application fee. Although the property owner did not demonstrate financial hardship, the area has been under a septic system moratorium for quite a while and the state has imposed new on-site wastewater treatment system (OWTS) regulations that the County Environmental Health Department must enforce due to nitrate contamination found in the groundwater in this area. Further, the Commission agreed with Commissioner Haggerty's opinion that because of the current regulations restricting repairs and installation of new septic systems, government agencies should help any affected property owner in that area get connected to the city's sewer lines. The Commission discussed asking Pleasanton to waive its fees as well. The Commission further directed staff to identify other properties within 200 ft. of the sewer line in Sycamore Road, and to work on a process that would facilitate those property owners connecting to the city's sewer line including identifying potential funding sources to assist property owners.

MOTION:

A motion was made by Commissioner Haggerty and seconded by Commissioner Thorne to approve the fee waiver request because the Commission finds that, in order to avoid detriment to the public interest, the Commission should seek to reduce barriers for unincorporated Happy Valley property owners connecting to a public sewer system in light of new state regulations regarding on-site wastewater treatment systems, the ongoing moratorium on septic systems in this area, and the ongoing concerns regarding nitrate contamination of groundwater in the area. Commissioner Sblendorio requested an amendment to the motion to send a letter to the City of Pleasanton informing them of LAFCo's action and asking Pleasanton to do the same. Commissioners Haggerty and Thorne agreed to the amendment and the motion passed unanimously.

AYES: 7 (Haggerty, Johnson, Marchand, Miley, Sblendorio, Thorne, Wieskamp)  
NOES: 0  
ABSENT: 0  
ABSTAIN: 0

**7. Fairview Fire Protection District Sphere of Influence Update**

Upon introduction of the agenda item by Commission Chair Marchand, Commissioner Haggerty inquired about email correspondence he had received regarding the resignation of Fairview Fire Protection District (FFPD) Board member Catherine Ortiz-Carden. FFPD Board President Leslie West indicated that she had learned of the resignation on her way to the LAFCo meeting. Board President West then proceeded with her presentation to the Commission in which she addressed concerns that the Commission had expressed at its September 10, 2015 meeting. She also provided an update on the progress made by the District since its September 10, 2015 update to the Commission including website improvements, Board member recruitment, budget review and presentation, and community engagement. She noted that four people had applied for the Board vacancy created by Svend Andersen's resignation and that interviews were scheduled for the forthcoming Monday. Consultant Mike Preston provided a review of the District's current contract with the City of Hayward and compared that to other options for providing services in the Fairview area if the District were dissolved. He noted that a recommendation of District dissolution by LAFCo in 1995 resulted in a 55%

vote against dissolution in 1996, and expressed his belief that a vote for dissolution today would have the same results.

Following her update, Director West responded to concerns from the Commission about whether the FFPD Board would have the needed quorum at its Monday meeting to take action by explaining that an effort would be made to get Board member Charles Snipes to the meeting but if there is not a quorum on Monday, then the process may involve participation by the Board of Supervisors. She noted that she was not exactly clear on the details, but would be looking into the appropriate way to proceed in consultation with legal counsel should a quorum not be reached.

#### Public Comment

Chair Marchand opened the public hearing. The following Fairview residents spoke in support of the District:

- Dennis Gould, a former board member, spoke about the past significant increase in the Educational Revenue Augmentation Fund (ERAF) percentages that were imposed on the District that resulted in a loss of \$119,000 for the District. He noted that the attempt to dissolve the District in 1996 failed to pass and believed the same would occur today too.
- Dale Silva stated that new Director West has brought fresh energy to the District and has gained support through her efforts at outreach and community involvement.
- Chris Higgins expressed agreement with the comments of the previous two speakers and noted that the District and the cemetery in the Fairview area are the only two things that the Fairview community has that give it a sense of identity.

As there were no more speakers, Chair Marchand closed the public hearing.

#### Commission Discussion

Chair Marchand noted recent progress by the District, but expressed strong concerns about the lack of good governance by the Fairview Board over the past eight years, which he characterized as having been on autopilot. He explained that LAFCo's charge was to look carefully at agencies' provision of services to see if there might be opportunities to improve efficiency to ensure that the public is receiving services in the most cost effective manner. He pointed out that the Commission is not talking about eliminating services but rather about what governance structure would be most efficient and cost effective. He talked about the significant financial savings to property owners if the County contracted with Hayward to provide the services for the Fairview area.

Other comments from the Commission included praise for the significant progress made by the District and an acknowledgement that the residents' strong feelings of support for the District are about community identity, and local control, things that are very important to them. Commissioner Miley advocated for removing the provisional status in recognition of the significant efforts that the District has made, as well as the fact that the District would be the subject of future sphere reviews in the next couple of years. Reservations about taking action to modify the SOI at today's meeting were also expressed primarily because the District's Board of Directors may not be able to establish a quorum. Commissioner Haggerty wanted to have the opportunity to talk with the County and City of Hayward Fire Chiefs. After further discussion, the Commission agreed it needed additional information before any action could be taken to modify the SOI.

#### MOTION:

Motion was made by Commissioner Haggerty, seconded by Commissioner Sblendorio to continue the item for six months (May 2016) at which time the District would be asked to provide an update on the District governance and progress on implementation of the District's strategic plan.

AYES: 6 (Haggerty, Johnson, Marchand, Miley, Sblendorio, Wieskamp)

NOES: 0  
ABSENT: 1 (Thorne)  
ABSTAIN: 0

Note: Commissioners Thorne and Haubert exited the meeting during the discussion, prior to the vote.

## 8. **Eden Township Healthcare District Update**

Following introductory remarks from staff, Eden Township Healthcare District Chief Executive Officer Dev Mahadevan provided a status update on the District's activities since his last report to the Commission a year ago. He reported that the District:

- developed a series of educational programs to improve health literacy and health status within its community, completing the first session on Diabetes in September;
- will be partnering with the Davis Street Family Resource Center to operate a Federally Qualified Health Center in San Leandro (Bill McCammon Health Center), and has established a long-term relationship with Novo Nordisk to provide diabetes education and support to the community;
- will be allowed, due to a Superior Court decision in June 2015, to make damage award payments related to the San Leandro Hospital settlement with Sutter Health over a period of 10 years, which will enable the District to continue to carry out its mission and priorities.
- worked with Assembly Member Rob Bonta to allow the District to place a parcel tax on the ballot (AB 72), with the goal of stabilizing long term financing of St. Rose Hospital

He also reported that District staff had met with the City of Dublin to explore potential services that the District might provide there, including dental services, but that, because of other priorities, the District has not moved forward on those services yet.

Following his remarks, Mr. Mahadevan responded to questions from Commissioner Sblendorio regarding the property owned by the District in Dublin. The District currently owns two buildings and two undeveloped parcels. The District is considering selling one of the buildings, but right now, because real estate values have not returned to the levels they were at when the District bought it (2007), they are getting a better return on their investment by renting out space in the building rather than selling it. Also, they are looking to possibly construct a building on one of the empty parcels, which would require the construction of a parking lot on the other parcel. There seems to be interest in the area from a large medical provider.

Commissioner Miley expressed that he wants the District to focus on using profits from its Dublin investments on delivering services within its existing boundary – specifically San Leandro and St. Rose Hospitals. Mr. Mahadevan concurred and stated that that is what is presently happening.

The Commission thanked Mr. Mahadevan for his update.

## 9. **Matters Initiated by Members of the Commission** – There were none.

## 10. **Informational Items** – *Discussion, if any, or further information is noted after the item.*

- a. CALAFCO Update
  - Board of Directors
  - Legislative Update
- b. Application Update
- c. Newspaper Articles
- d. 2016 CALAFCO Staff Workshop March 30 – April 1, 2016 in Universal City
- e. 2016 Annual Conference October 26 – 28, 2016 in Santa Barbara

**12. Adjournment of Regular Meeting**

The meeting was adjourned at 6:35 p.m.

**13. Next Meeting of the Commission**

**Thursday, January 14, 2016 at 4:30 p.m.**

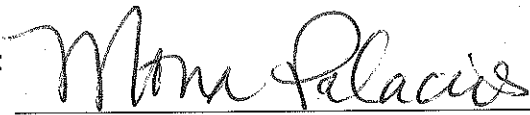
Respectfully submitted,



Sandy Hou, Commission Clerk

These minutes were approved by the Commission on January 14, 2016.

Attest:



Mona Palacios, LAFCo Executive Officer

